

TOWN OF HARVARD

CAPITAL PLANNING & INVESTMENT COMMITTEE (CPIC)

Draft Minutes of June 6, 2016 Meeting in the Town Hall

Present: Heidi Frank, Teresa Jardon, Debbie Ricci, Ken Swanton, Tim Bragan, Lorraine Leonard

The meeting was called to order at 8:24 AM

The minutes of the April 11 meeting were approved unanimously, moved by Teresa and seconded by Ken.

Public commentary: none

Hildreth House Accessibility Project: It was reported that the bids received for the Hildreth House Accessibility project have resulted in an increase in the funding needed by \$188,233 over the amount approved by voters last year. CPIC voted unanimously to support the funding of the Hildreth House overage of \$188,233 (moved by Heidi, seconded by Teresa)

Three options were discussed for funding the overage: the Capital Fund (Capital Stabilization and Investment Fund), Free Cash, or Debt. Lorraine suggested not using free cash as it would go against the policies and procedures. She suggested that debt be used, as it is consistent with funding the rest of the project, and pointed out that it essentially defers the decision between using debt or the Capital Fund for the overage until next year. If it stays debt then it would be rolled into the overall borrowing for the Hildreth House project in July 2017. If instead CPIC eventually decides to fund the overage from the Capital Fund, this could be done next year prior to July. In either case no interest would be incurred on the overage in FY17, and interest would only be paid on it after July 2017 if it was rolled into the borrowing.

Debbie reviewed what would happen to today's Capital Fund cash balance if the overage was to be funded now from the Capital Fund and the remaining free cash was added to the fund. It showed over \$700k in the fund, but she noted that the Conservation Commission has a proposal that might temporarily tie up \$400k of it. This would leave the fund at an unusually low level. Using Free Cash to Fund the overage would have the same effect. Only the borrowing alternative would result in a larger Capital Fund balance.

CPIC voted unanimously to approve the following funding motion (moved by Debbie, seconded by Teresa): CPIC recommends \$188,233 be added to the Hildreth House Accessibility project to be funded via debt, subject to the approval of the Finance Committee. If the Finance Committee does not approve, then the overage is to be funded by the Capital Stabilization and Investment fund.

Conservation Commission: Visitors from the Conservation Commission and Trust described a project for which the Capital Fund might be needed. The Trust has negotiated a purchase of about 50 acres on Sherry Road for about \$800k and proposes to sell a Conservation Restriction to the Conservation Commission for \$400k. The \$400k would be funded by a state grant. The Commission plans to seek voter approval at the October Special Town Meeting. They asked if the \$400k could be temporarily funded by the Capital Fund until the grant comes though. CPIC voted unanimously to ask the Commission to submit a funding application to CPIC by Aug 16 for review in early September (moved by Ken, seconded by Teresa).

Review of 2015-2106 CPIC Process. Several comments were discussed to improve the capital planning process for next year. They include: we need to reiterate due dates, should reach out soon to Parks and Rec, Selectmen review of their departments should be earlier, need at least a few lines of general description information on requests, should develop a proposal on big things that "pop up" during the year (like the broken fire truck last year or Hildreth House overage this year), and should keep the new debt service schedule that was just added.

Next year's submission package was discussed and edited.

Debbie to distribute possible dates for next meetings.

Adjourned at 10:00 AM

Submitted by Ken Swanton